



**ADJOURNED MEETING OF THE CITY COUNCIL AND THE COUNCIL
SITTING AS THE REDEVELOPMENT AGENCY
WEDNESDAY, JULY 14, 2004 6:30 P.M.**

The Adjourned meeting of the City Council, also sitting as the Redevelopment Agency, and the Public Finance Authority Boards, was called to order by Mayor/Chairman Stettler in the Council Chambers at 68-700 Avenida Lalo Guerrero, Cathedral City, California on July 14, 2004 at 3:08 p.m.

ROLL CALL:

Present: Council Member/RDA Board Member/Public Finance Authority
Members England, Marchand
Mayor Pro Tem/RDA Board Member/Public Finance Authority
Member Pettis
Mayor/RDA Board Chairman/Public Finance Authority Chairman Stettler

Absent: Council Member/RDA Board Member/Public Finance Authority
Member DeRosa

Council Member Marchand moved to excuse Council Member DeRosa, motion seconded by Council Member England, motion carried without exception.

Note: Council Member DeRosa arrived at 3:20 p.m.

At the afternoon Study Session Council gave the following direction to Staff: To review plan to build out vacant space in City Hall for the Housing Office. Also, there was lengthy discussion with regard to "Holiday Decoration alternatives." City Council gave the following direction to Staff: Mayor Stettler moved to cover costs of Holiday Decorations/Christmas Lighting in the amount of \$15,940, motion seconded by Council Member England, motion carried 3-2 **by Minute Order 3727A**. Council Members DeRosa and Marchand voted in the negative.

The Regular Meeting began at 6:50 p.m. and was opened by Mayor Stettler. Mayor Pro Tem Pettis led the invocation, followed by the Flag Salute by Council Member Marchand.

CLOSED SETTION AGENDA:

1. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION pursuant to Government Code Section 54956.9, Subd. (b)
Number of Potential Cases: 1
2. CONFERENCE WITH LABOR NEGOTIATOR pursuant to Government Code Section 54957.6

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Agency Negotiator: Donald Bradley, City Manager
Represented Employees: 1) Cathedral City Firefighters Association (CCFFA); 2) Cathedral City Police Officers' Association (CCPOA); and 3) Cathedral City Public Safety Management Association (CCPSMA);

3. CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION pursuant to Government Code Section 54956.9, Subd. (k):
Case Name: Glenn Haas, Jeff Miller, Brian Hirzel and Cathedral City Police Officers Association vs. Cathedral City; Cathedral City Police Department; Stan Henry, Chief of Police; John Holcomb, Captain; Gregory J. Savelli, Lieutenant; Sandra Hatfield, Dispatch Supervisor, et al.
Case No.: United States District Court, Central District of California Case No. EDCV 02-965
4. CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION pursuant to Government Code Section 54956.9, Subd. (k):
Case Name: Scott Sharpe, Mark Fields, Rudy Salinas, Jay Horn, Karl Murashima, Owen Krings, Brian Hirzel, Albert Ruiz, Steve Williams, Paul Reindel, Glenn Haas, Nick Chapman, Gabriel Mendoza, Kelly Nava, Danny Anes, Dane Dickson, Mark Novy, Larry San Filipino, Jeremy Herrick, Ernie Vasquez, Tom Ferguson, Jon Enos, John Fox, Andy Diaz, Albert Ochoa, Dewayne Hodge vs. City of Cathedral City, a municipal corporation; Stan Henry, Chief of Police; Captain John Holcomb, Captain Kevin Conner and Lieutenant Al Reshaw in their individual capacity, and DOES 1 through 10, Inclusive
Case No.: United States District Court, Central District of California Case No. CV 04 02931 (VBKx)[Class Action] Complaint for Damages and Injunctive Relief Demand for Jury Trial
5. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8 (**Keith Scott**)
Property Location: 68-307 East Palm Canyon Drive
APN#
Negotiating Parties: Keith Scott on behalf of the Redevelopment Agency and Brittany West, Development Management Group for S & L Investments, Resort Destinations Group Property
Owners: Redevelopment Agency
Under Negotiation: Property Negotiation
6. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8. (**Keith Scott**)
Property Location: South of East Palm Canyon Drive, West of the Perez Road extension, East of Canyon Plaza
APN#s 687-030-010 and 074
Negotiating Parties: Redevelopment Agency, Cathedral City Properties, LLC

- and O'Brien Hyundai
Property Owner: Desert Hills Mobile Home Park
Under Negotiation: Disposition of property
7. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8 (**Paul Shillcock**)
Property Location: 31950 Crosley Road
APN# 677-420-016 and associated parcels
Negotiating Parties: Redevelopment Agency and KEH Development Company, LLC
Property Owner: Dr. C. Bochner
Under Negotiation: Property Acquisition
8. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8. (**Charlene Sumpter**)
Property Location: West of Date Palm Drive, North of East Palm Canyon Drive, East of Monty Hall and South of the Whitewater Channel.
Negotiating Parties: Redevelopment Agency and Tri- Millennium for Phase III of the Downtown Project
Property Owner: Redevelopment Agency
Under Negotiation: Disposition of Property
9. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8. (**James Cleary**)
Property Location: Whitewater Neighborhood: 680-393-006; 680-393-005; 680-393-004; 680-393-003; 680-393-002; 680-393-001; 680-404-001-0002, 003, 004, 005, 006, 007, 008; 680-393-009; 680-393-008; 680-393-007; 680-394-004; 680-394-001; 680-405-001-002, 003, (**Moreno Road, Ocotillo Road, Via De Anza and Ortega Road**)
Negotiating Parties: Redevelopment Agency & Property Owners
Property Owners: Grimshaw Sales and Distribution; Clare Stratton; Emerson & Evelyn, Virginia Vaughn; Donald & Byers, Lillian Dempsey; Robert Jacobs; Ernest & Hamby, Patricia Pearson; Ester Hoffman; Peter Zarenejad; Jose Torres; Helen Gallucci; Coachella Valley Water District; Newport Homes; Jesus Razura; Floyd Vail.
Under Negotiation: Property Acquisition
10. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8 (**Paul Shillcock**)
Property Location: East of Van Fleet Avenue, South of East Palm Canyon Drive; APN #'s 687-207-005 (Sousa) and 687-223-016 (Sanchez)
Negotiating Parties: Redevelopment Agency and BCN Developments, Inc.
Property Owners: Martin Sousa, et al; Jorge & Maria Sanchez

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Under Negotiation: Disposition of Property

CLOSED SESSION ANNOUNCEMENTS:

Deputy City Attorney Green announced on Item 10 of the Closed Session Agenda, the Council, voted 5-0 to confirm Nancy Aronson on the CURC Board.

PUBLIC COMMENTS

Bill Cohen – Cathedral City. Advised that at the COP Meeting Carol Camelot, a disaster survival expert, made a presentation. We don't know as much about disasters as we should know about these things. We are lucky to have someone like Carol, and she does workshops on disasters.

Greg Wetmore – Rancho Mirage. President and CEO of the CC Chamber of Commerce. Invited everyone to Phenomenal Health Care for the next mixer. On Saturday July 24th at 8:30 a.m. the new Staples will have a ribbon shredding for their grand opening. There will be a Date Palm Alignment meeting on Monday the 26th.

Sharon Knight – Cathedral City. She wanted to know why there was not going to be street sweeping in the Cove? She feels the dollars spent on the fountain could help her with sewer project in the Cove.

John Duncan – Cathedral City Airport Commissioner advised that he had been reelected as Vice Chair of the Commission. We had the busiest month of May on record. We are on track for a record year with 1,300,000 passengers and 11 Airlines. We have 55 daily flights, 15 non-stop flights, with service to Hawaii and to New York.

Shilo Heerling – Cathedral City. Mr. Heerling said that their new neighborhood watch has 26 official members, with lots of people attending, and it is a great group. The neighborhood watch can be reached at HermisolloWatch@dc.rr.com.

Jeff Berzone – Cathedral City. Mr. Berzone wanted to thank the Council and Mayor and the Police for getting cars off the grass at Panorama Park.

Seeing no one else wishing to speak Mayor Stettler closed Public Comments.

FINALIZATION

Mayor Stettler advised that Item # 7 would be continued to the first meeting in August, on August 11, 2004 and that Item # 20 would be continued to 2nd meeting in July which is scheduled for Monday July 26th.

COUNCIL COMMENTS

Mayor Stettler advised that the IMAX was doing great and the 23rd would see the opening of the new Spiderman 2 movie.

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Mary Picford had the largest 4th quarter ever, and our Tooties Bar-B-Que restaurant was rated as one of the best restaurants in Sunset Magazine.

Mayor Pro Tem Pettis advised that Senator Ducheney wants local money protected, that state budget funding continues to take money from the Cities. They are voting on the state budget tomorrow. Please call your legislators and ask them to protect our LOCAL funds. Senator Ducheney may be reached at 398-6442.

Council Member DeRosa advises that the Police have had a rash of burglaries and please lower your garage door at least $\frac{3}{4}$ of the way down.

Council Member Marchand also advised that he had been burglarized and suggested that we keep our garage doors down. Also commented that state takes money from cities and has been doing so for 20 years. Hold your legislators accountable, if things like fire, police, parks mean something to you.

Mayor Stettler welcomed Jill Skinner of the City Attorneys Office.

MINUTES

Mayor Pro Tem Pettis moved approval of minutes from the regularly scheduled City Council/RDA Board Meetings held on Wednesday, June 9, 2004 and Wednesday, June 23rd, 2004; and Minutes of the Special Closed Session Meeting of the City Council of Tuesday, July 6, 2004, motion seconded by Council Member England, motion carried 5-0, with exception of Minutes of July 6th, wherein Council Member Marchand abstained because he had not been in attendance.

PRESENTATIONS AND PROCLAMATIONS

Council Member England presented a Plaque to Leslie Grossjean for her service to the Streets & Transportation Commission.

Mayor Stettler presented a plaque to Barbara Brezone on behalf of her son, Justin for his service to the Parks and Recreation Commission. Mrs. Brezone advised the Mayor that Justin had just graduated with 900 hours volunteer time as a Reserve Officer for the Sheriff's office in Palm Desert, and that was the reason he could not be here tonight.

Mayor Pro Tem Pettis presented a plaque to Ray Lopez for his long service on the Architectural Review Commission.

CONSENT AGENDA

Council Member Marchand moved approval of the Consent Agenda, motion seconded by Council Member England, motion carried 4-0.

1. Received and filed demands in the aggregate amount of \$5,429,302 for the month of June, 2004 **by Minute Order # 3728 and Minute Order # R-994.**

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2. Approved Community Services Contract with the Cathedral City Chamber of Commerce for fiscal year 2004-2005 **by Minute Order # 3729.**
3. Approved Business/Economic Development Contract with the Cathedral City Chamber of Commerce for fiscal year 2004-2005 **by Minute Order # 3730.**
4. Approved a resolution of the City Council for the City of Cathedral City, accepting the transfer of property from the County of Riverside **by Resolution 2004-67.**
5. Approved final acceptance of the pedestrian bridge project adjacent to officer David Vasquez & Pickfair Roads and Release of City-held retention funds to G.B. Cooke, **by Minute Order # 3731.**

PUBLIC HEARING

6. Approved proposed resolutions of the City Council for the City of Cathedral City, authorizing the refinancing of the allowable portion of the 1995 Tax Allocation Bonds to provide economic benefit to the agency and the City.

There was report by Finance Director Tami Scott.

Public Comments were opened and closed without comment.

Council Member Marchand moved adoption of the following resolutions, motion seconded by Council Member England, motion carried 5-0.

- 1) Adopt Resolution of the Redevelopment Agency for the City of Cathedral City, **No. R-384** authorizing the borrowing of funds from the Cathedral City Public Financing Authority for the purpose of financing and refinancing redevelopment activities, authorizing and directing execution of related loan agreements, approving sale of bonds and official statement providing other matters properly related thereto;
- 2) Adopt Resolution of the Public Financing Authority for the City of Cathedral City, **No. PFA- 2004-1**, authorizing the issuance of bonds with respect to Cathedral City redevelopment projects, approving related indenture of trust and loan agreements, authorizing sale of bonds, approving official statement and providing other matters properly related thereto; and
- 3) Adopt Resolution of the City Council for the City of Cathedral City, **No. 2004-68**, approving the borrowing of funds by the Cathedral City redevelopment agency from the Cathedral City public financing authority and providing other matters properly related thereto.

LEGISLATIVE ACTION(S)

7. Receive report and recommendations regarding Honeywell International Downtown Energy Savings proposal. **This item continued to August 11, 2004.**

8. Proposed resolutions of the City Council for the City of Cathedral City, and the Public Financing Authority, authorizing the refunding/refinancing of the 1996 Assessment District Revenue Bonds and the 1996 Rio Vista Assessment District Bonds.

There was a report given by Tami Scott, Finance Director

Public Comments were opened and closed without comment.

Council Member Marchand moved adoption of the following resolutions, motion seconded by Council Member England, motion carried 5-0.

1) Adopt **Resolution No. 2004-69**, intending to levy reassessment and to issue refunding bonds 2) **Adopt Resolution No. 2004-70**, adopting reassessment report, confirming and ordering the reassessment pursuant to summary proceedings and directing related actions; 3) **Adopt Resolution No. 200471**, authorizing the issuance of refunding bonds, and approving and authorizing related documents and actions with respect to the City of Cathedral City Assessment District No. 96-1 (Rio Vista) assessment and Refunding of 2004); and 4) Adopt Resolution of the **Public Financing Authority No. PFA-2004-2**, authorizing the issuance of its local agency revenue bonds 2004 Series A (Limited Obligations), authorizing and directing execution of an indenture of trust and escrow agreements, authorizing the sale of bonds, approving an official statement and providing other matters properly as related thereto.

9. Consider adoption of proposed resolution of the City Council for the City of Cathedral City, directing the submission to the qualified electors of the City of Cathedral City a measure increasing the City's Transient Occupancy Tax rate from ten percent to twelve percent of the rent charged by the hotel operator commencing January 1, 2005.

There was a lengthy report by Finance Director Tami Scott with input from Mayor Pro Tem Pettis, and from the City Attorney and the Deputy City Attorney.

Mayor Stettler opened the floor to Public Comments.

Greg Wetmore – President and CEO of the CC Chamber of Commerce. He thanked the City for the opportunity to give input to the city during the meetings where this item had been discussed.

Shilo Heerling – Cathedral City. Felt we should keep hotel prices low and not increase the tax.

Richard Martinez – Cathedral City. He owns a small hotel and recommends passage of this tax.

Mayor Stettler, seeing no one else wishing to speak, closed Public Comments.

Council Member DeRosa wanted to clarify that we were not approving a tax, but the opportunity to put this measure on the ballot for the November 2004 election.

Council Member Marchand advised that this is a source of revenue that can't be taken away by the state.

Council Member Marchand moved adoption of proposed resolution, motion seconded by Mayor Pro Tem Pettis, motion carried 5-0 **by Resolution No. 2004-72.**

- 10.. Resolution of the City Council for the City of Cathedral City, directing the submission to the qualified electors of the City of Cathedral City an Advisory Measure asking whether the City Council should consider creating a Cathedral City Tourism Commission consisting of professionals from the local hospitality industry and setting aside funds equivalent to fifty percent of any future increase in the Transit Occupancy Tax rate for purposes of tourism marketing.

There was a report give by Tami Scott, Finance Director, with lengthy discussion Basically we would be funding a private tourism board.

Mayor Stettler opened the floor to Public Comments.

Greg Wetmore – President and CEO of the CC Chamber of Commerce. Should this pass on the ballot in November he understood that this was an advisory measure and the final decision would be up to the City Council.

Richard Altman – Cathedral City. He is a hotel owner, and the Convention Bureau advertises the Coachella Valley and not Cathedral City. People come to his hotel because he advertises, and he sees this as a big help to the City.

Mayor Stettler, seeing no one else wishing to speak, closed Public Comments.

Council Member Marchand moved adoption of this resolution, motion seconded by Council Member England, motion carried 5-0, **by Resolution No. 2004-73.**

11. Recommendation to purchase playground equipment and pour-in-place soft surfacing for the renovation of Century Park.

There was a brief report by Deanna Pressgrove, Environmental Manager.

Public Comments were opened and closed without comment.

Mayor Pro Tem Pettis moved approval, motion seconded by Council Member England, carried 5-0 **by Minute Order # 3732.**

12. Request for approval of proposition 13 grant award in the amount of \$848,300 for the design and construction of the Dream Homes Sewer Project Phase I, State of California Grant Agreement No. 04-055-557-0, and resolution authorizing execution of grant agreement No. 04-055-557-0

There was a report by Interim City Engineer Bill Bayne.

Public Comments were opened and closed without comment.

Council Member Marchand moved approval, motion seconded by Council Member England, Motion carried 5-0 **by Resolution No. 2004-74.**

13. Request for authorization for staff to execute a professional services agreement with Harris and Associates, Inc., to provide plans, specifications and estimates (PS & E) for the Dream Homes Assessment District 2004-01 sewer installation project.

There was a brief report by Interim City Engineer Bill Bayne.

Public Comments were opened and closed without comment

Council Member Marchand moved approval with a “not to exceed amount of \$305,000, motion seconded by Council Member England, motion carried 5-0 **by Minute Order # 3733.**

14. Accept the petition of the Cove area property owners requesting the City to hire an engineer relating to the formation of the Cove Assessment District (AD 2004-02) and approve resolution of intent to make acquisitions and improvements.

There was a lengthy report by Interim City Engineer Bill Bayne. There has been much effort expended in trying to get in touch with all of the Cove homeowners. There have been seven meetings with property owners neighborhood groups, Nicki Reisman and others have obtained in excess of 600 signatures from property owners that want the city to go forward. These petitions were presented to the Clerk.

Council Member Marchand said this was just a first step. Mayor Pro Tem Pettis said there was a large absentee ownership in the Cove. Mr. Bayne responded this was a baby step, and initial step, not a final vote.

Mayor Stettler opened the floor to Public Comments.

Dennis Sperling – Cathedral City Cove. Mr. Sperling questions the validity of signatures and in fact, he wonders if they are really in favor, or are they opposed at street improvements.

Don Thompson Grant – Cathedral City Cove. He believes that not many of the Cove residents were home when they were getting signatures.

Ken Owens – Cathedral City Cove. Not everyone is on the Map. He would like to see the question split, 1) Do you want sewers? 2) Do you want streets? There are a lot of absentee homeowners in cove.

Niki Reisman - Cathedral City Cove. Street, sewer, curbs – all options explained. Just like in 35th Avenue, the Dream Homes, we need to educate the people in cove – there are lots of owners.

Gene Touchet – Cathedral City. It's not just the cove, it is all of the city. Water runs down hill. We need to educate all the people.

Ralph Hitchcock – Cathedral City Cove – He is in favor of streets, curbs, and gutters. He is not in favor of street lights.

Jim Condon – Cathedral City Cove – Under strict state mandate of 10 years at that time, now have eight years to go. We need more grants in the next two years, in the mean time it is up to us to get prepared.

Mayor Stettler seeing no else wishing to speak closed Public Comments.

Council Member Marchand advised that Carol Migdon took money out of the State sewer mandate. We presently draw water from 400 feet, contamination is already at 200 feet, and we need to look at these issues now.

Mayor Pro Tem Pettis thanked the committee and staff. We have additional grant applications out there, we keep looking/finding money, the Council is committed to this project.

Council Member DeRosa requested that we have no rolled curbs, she supports this item.

Council Member Marchand moved adoption of this resolution, seconded by Mayor Pro Tem Pettis, motion carried 5-0 **by Resolution No. 2004-75.**

15. Request for approval of proposition 13 grant award in the amount of \$2,500,000 for the design and construction of the Cove Area Sewer Project Phase II, State of California Grant Agreement No. 04-056-557-0, and resolution authorizing execution of grant agreement No. 04-056-557-0 Play area.

There was a brief report by Interim City Engineer Bill Bayne.

Public comments were opened and closed without comment.

Council Member Marchand moved adoption of this resolution, motion seconded by Council Member England, motion carried 5-0 **by Resolution No. 2004-76.**

16. Proposed ordinances of the City Council for the City of Cathedral City amending certain time limitations with respect to the Redevelopment Plan for Redevelopment Project Area

No. 1, Redevelopment Project Area No. 2 and Redevelopment Project Area No. 3. (1st reading)

There was a report by Keith Scott, Redevelopment Project Manager.

Public comments were opened and closed without comment.

Council Member Marchand moved to waive further reading and introduce the Ordinance, motion seconded by Mayor Pro Tem Pettis, motion carried 5-0 **by Minute Order #3734 and Minute Order # R-995.**

17. Request for authorization to enter into a Promissory Note in the amount of \$390,393.00 by the Redevelopment Agency.

There was a report by Keith Scott, Redevelopment Project Manager, with some discussion. Both Council Members England and Marchand objected to considering this item without a repayment schedule and would prefer to see a payment schedule prior to voting.

Public Comments were opened and closed without comment.

Council Member DeRosa moved to continue this item till the July 26th, 2004 Council Meeting, with a repayment schedule starting in three years, motion seconded by Council Member England, motion carried 5-0.

18. Authorization to contract to survey and subdivide 5 parcels or groups of parcels in the Dream Homes neighborhood for single family homes, in preparation for disposition of home sites.

Report given by Warren Bradshaw, Housing Manager.

Public Comment were opened and closed without comments.

Council Member Marchand moved approval, motion seconded by Council Member England, motion carried 5-0 **by Minute Order # 3735.**

19. Authorization to enter into a Memorandum of Understanding (MOU) with Otto Holta for development of approximately 9 condominiums in the Dream Homes neighborhood, adjoining the Ramon Lakeview Villas Condominium complex.

There was a report by Warren Bradshaw Housing Manager.

Public Comments were opened and closed without comments.

Council Member Marchand moved approval of the MOU, motion seconded by Council Member England, motion carried 5-0 **by Minute Order # 3736 and Minute Order # R-996.**

20. Request for authorization for staff to execute amendments 3 and 4 and a notice to proceed for phase 2 for the professional services agreement with Nickerson and Associates, Inc. to provide final design plans, specifications and estimates (PS & E), bid support, technical oversight during construction and related services for the 35th Avenue Assessment District Project.

Item 20 continued to 2nd meeting in July scheduled for Monday July 26th.

21. Request for authorization for staff to execute amendment No. 1 to the professional services agreement with Psomas to provide final design plans, plans, specifications and estimates (PS & E), bid support, technical oversight during construction and related services for the Sheraton Hotel offsites project.

Report given by Interim City Engineer Bill Bayne.

Council Member DeRosa asked, if for some reason BCN didn't move forward we could loose 1 million dollars? That is correct.

Council Member Marchand asked if the project goes south we would not be out of any Money in the General Fund? That is correct.

Public Comments opened and closed without comment.

Council Member Marchand moved approval, motion seconded by Mayor Pro Tem Pettis, motion carried 5-0, **by Minute Order # 3736.**

COUNCIL REPORTS ON CITIZEN INQUIRIES AND CONCERNS.

Council Member DeRosa advised that there were maps out about street sweeping, and reminded everyone to close their garage doors for safety.

Mayor Stettler advised that the street sweeping maps were available on the web-site. He hoped that we could put signs on streets to let people know when we were sweeping streets.

ADJOURNMENT

Hearing no further business to come before the City Council, the meeting was adjourned at 9:45 p.m. in Memory of the Marines of 29 Palms who have given their lives for their country.

Pat Hammers, City Clerk